

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	
)	Chapter 11
)	
ARENA FOOTBALL LEAGUE, LLC,)	Case No. 09-B-29024
)	
DEBTOR.)	Honorable Susan Pierson Sonderby
)	

**TRUSTEE’S STATEMENT CONCERNING
CONFORMATION OF THE BUDGET TO THE FINAL FINANCING ORDER**

Alex D. Moglia, not individually, but solely in his capacity as chapter 11 trustee (the “Trustee”) of the bankruptcy estate of Arena Football League, LLC respectfully submits this statement concerning the conformation of the budget to the final financing order. In support hereof, the Trustee respectfully represents as follows:

1. On November 17, 2009, the Court entered the Final Order (I) Authorizing the Trustee to Obtain Post-Petition Secured Financing, (II) Granting Certain Liens, (III) Granting Adequate Protection, (IV) Funding Segregated Account with Cash Collateral, and (V) Modifying the Automatic Stay (“Final Financing Order”). (Dkt. No. 95).

2. Section 3 of the Final Financing Order specifically allows that the budget “may be otherwise modified with the agreement of the Trustee, the Lender and the Committee consistent with the terms of the Trustee Financing Agreements...” (Dkt No. 95, p. 21).

3. On December 7, 2009, the Court entered the Order Amending the Final Financing Order, which included a copy of the budget attached as Exhibit 1 (“Order Amending Final Financing Order”). (Dkt. No. 111).

4. The Order Amending the Final Financing Order amended and restated Section 8 of the Final Financing Order dealing with Carve-Out, and indicated, among others, the

following:

“Notwithstanding anything to the contrary contained in the Trustee Financing Agreements, if any, or this Final Order, proceeds of the Excluded Claims and Collateral equal to: . . .

(f) allowed fees and expenses for financial advisors retained by the Trustee (not to exceed \$15,000 in expenses plus 5% of the gross proceeds of the sale of the Collateral, less any retainer or interim compensation paid to the Trustee or such Professionals),

(g) allowed fees and expenses for counsel to the debtor in possession relating to adversary proceeding captioned Arena Football League, LLC v. Arena Football One LLC, et al., case no 09-29024 (not to exceed \$18,000) and

(h) allowed fees and expenses for counsel to the Committee and expenses (other than attorneys’ fees and expenses) of Committee members (not to exceed \$50,000) shall not be subject to any lien or security interest including any administrative or superpriority claim granted to the Lender under sections 364(c)(1), 503(b) and 507(b) (collectively, the “Carve-Out”).

5. The budget, attached as Exhibit 1 to the Order Amending Final Financing Order, despite review by all parties, inadvertently did not reflect the correct amounts as indicated in the actual order. The attached budget correctly reflects the amounts in the Order Amending Final Financing Order as follows: (1) Moglia Advisors (Advertising, copies, postage, storage, moving), \$15,000; (2) Law Offices of William Factor, Counsel to Debtor in Possession, \$18,000; (3) Freeborn & Peters LLP, Committee Counsel, \$50,000. Therefore, the Trustee is submitting a revised Exhibit 1, as attached to this statement, to replace the original exhibit to the Order Amending Final Financing Order. The revised Exhibit 1 shows the amount of total expense funded by the Carve-Out to be \$655,500, in accordance with the amounts actually authorized in the face of the Order Amending Final Financing Order.

6. The counsel for the Trustee, the Lender, and the Committee all have agreed to the revised budget attached hereto as Exhibit 1.

Dated: December 21, 2009

Respectfully submitted,

ALEX D. MOGLIA, solely as chapter 11 Trustee,

/s/ Si-Yong Yi

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Counsel for the Trustee

CERTIFICATE OF SERVICE

I, Si-Yong Yi, an attorney, state that on December 21, 2009 pursuant to Local Rule 9013-3(D), that I caused the above-referenced **STATEMENT** to be filed and served on all parties identified as Registrants on the service list below through the Court's Electronic Notice for Registrants and, as to all other parties on the service list below, via electronic mail, facsimile or First Class U.S. Mail to the address(es) as indicated on the attached service list.

/s/ Si-Yong Yi

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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Case No. 09-B-29024
)
ARENA FOOTBALL LEAGUE, LLC,) Chapter 11
)
Debtor.) Hon. Susan Pierson Sonderby

NOTICE OF FILING

To: See Attached Service List

PLEASE TAKE NOTICE that on Monday, December 21, 2009 Alex D. Moglia, solely as chapter 11 Trustee in the above referenced matter, filed the **TRUSTEE'S STATEMENT CONCERNING CONFORMATION OF BUDGET TO THE FINAL FINANCING ORDER**, a copy of which is attached hereto and served upon you:

ALEX D. MOGLIA, solely as chapter 11 Trustee,

/s/ Si-Yong Yi

John Collen
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Counsel For The Trustee

CERTIFICATE OF SERVICE

I, Si-Yong Yi, an attorney, state that on December 21, 2009 pursuant to Local Rule 9013-3(D), that I caused the above-referenced **NOTICE OF FILING AND TRUSTEE'S STATEMENT** to be filed and served on all parties identified as Registrants on the service list below through the Court's Electronic Notice for Registrants and, as to all other parties on the service list below, via electronic mail, facsimile or First Class U.S. Mail to the address(es) as indicated on the attached service list.

/s/ Si-Yong Yi

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SERVICE LIST

In re: Arena Football League, LLC, Case No. 09-B-29024

Registrants in the Case:
(Service Through ECF)

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<u>Counsel For Arena Football League, LLC</u> William J. Factor The Law Office of William J. Factor, Ltd. 1363 Shermer Road, Suite 224 Northbrook, IL 60062 Tel: (847) 239-7248 Fax: (847) 574-8233 E-mail: wfactor@wfactorlaw.com Sara E. Lorber The Law Office of William J. Factor, Ltd. 105 W. Madison, Suite 400 Chicago, IL 60602 Tel: (312) 502-5807 Fax: (312) 502-5807 E-mail: slorber@wfactorlaw.com Jessica Tovrov Tovrov Law Offices 105 West Madison Street Suite 400 Chicago, IL 60602 Tel: (312) 252-7362 Fax: (312) 264-2535 E-mail: jessica@tovrovlaw.com	<u>Counsel For Fifth Third Bank</u> J. Mark Fisher Jason M. Torf Schiff Hardin & Waite 233 S. Wacker Dr., Suite 6600 Chicago, IL 60606 Tel: (312) 258-5500 Fax: (312) 258-5700 E-mail: mfisher@schiffhardin.com jtorf@schiffhardin.com

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<p><u>Counsel For DP Fox Football Holdings, LLC d/b/a Grand Rapids Rampage and Acquisition Holdings, LLC</u> Peter A. Clark Jennifer A. Kimball Barnes & Thornburg LLP One North Wacker Drive, Suite 4400 Chicago, IL 60606 Tel: (312) 357-1313 Fax: (312) 759-5646 Email: pclark@btlaw.com jkimball@btlaw.com</p>	<p><u>Counsel For Proskauer Rose LLP</u> Grayson T. Walter Proskauer Rose LLP Three First National Plaza 70 West Madison – Suite 3800 Chicago, IL 60602 Tel: (312) 926-3550 Fax: (312) 962-3551 Email: gwalter@proskauer.com</p>
	<p><u>Counsel For United States Trustee</u> Stephen G. Wolfe Office of the U.S. Trustee 219 S. Dearborn, Room 873 Chicago, IL 60604 Tel: (312) 886-7480 E-mail: USTPRegion11.ES.ECF@usdoj.gov</p>

Members of the Committee

(Service by U.S. Mail or by fax if fax number is indicated)

NBC Universal Attn: Daniel M. Kummer 30 Rockefeller Plaza, Rm. 1091E New York, NY 10112	The Phoenix Communications Group, Inc. Attn: John M. Podesta 3 Empire Blvd. South Hackensack, NJ 07606
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